



# **IDENTITY THEFT: THE AFTERMATH** **2004**

**With comparisons to *The Aftermath 2003*<sup>i</sup> Survey**

**Conducted by the Identity Theft Resource Center<sup>TMii</sup> (ITRC)**

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# **Identity Theft: The Aftermath 2004**

## **With comparisons to *The Aftermath 2003* study**

### **EXECUTIVE SUMMARY**

In 2003 and 2004, the Identity Theft Resource Center™ (ITRC) conducted victimization surveys to study identity theft crime impact on its victims. As we went through the 2004 study we also watched for any significant changes since 2003. This report clearly indicates a need for additional research in almost all areas covered by the study. A more comprehensive, scientifically-organized survey is planned for victims that ITRC has worked with during 2005.

ITRC staff designed and administered both surveys and independent specialists in survey analysis, business, psychology and statistics participated in preparing the final summary. The surveys mirrored each other in terms of questions asked in order to more easily compare answers. Forty-six questions were asked and both survey groups had about the same number of respondents. Demographically more people responded to this survey from California, Florida, Texas and New York – all states in the top 7 states listed by the FTC in 2004 in terms of victims per capita. This study reflects only the experiences of confirmed identity theft victims that worked with the ITRC and is not a census or general population-based study. (See Methodology)

It should be noted that reported time periods of continued victimization were given *at the time victims responded to the survey*. It does not distinguish those who are still being affected from those who are not. Thus, certain measures of victimization represent conservative estimates since the assessment was limited to the ending date of the study.

The following are highlights of the 2004 study. ITRC found few major differences between the two studies except in the numbers of hours spent by victims in the recovery process and in some emotional impact areas. Tables and additional data are in the full report.

- **Hours spent by victims:** In 2004, half of the victims spent under 100 hours (median). However, half of the victims spent more than 100 hours. When averaging total hours in repairing the damage done by the thief (without outliers<sup>v</sup>), the result is 330 hours (mean). The total reported hours ranged from 3 hours to 5,840 hours. (Table 10)
- **Crime geographics:** Regarding where their personal information was eventually used, almost half (49%) of the respondents noted that it had been used in their home state, about a third (32%) said that it had been used in another state, and 19% said it had been used in both. This has an impact on jurisdictional issues.
- **Uses of victim information:** In 2004, 66% of victims reported that their personal information had been used to open a new credit account in their name and 28% reported the purchase of cellular telephone service. *More than one-third of respondents said that thieves had committed check account fraud.* There are no significant differences between 2003 and 2004 other than a doubling of those reporting that their information was used to purchase cable or utility accounts (from 9% in 2003 to 18% in 2004). (Table 2)

- **Non-financial forms of identity theft:** These categories included warrants being issued in the victim's name, counterfeit driver's licenses and that the victim's real driver's license was obtained and used as the thief's. (Table 4)
- **Time dealing with case:** In both years, 26 to 32% responded that they had spent a period of 4 to 6 months. However, a higher number of respondents in 2003 (23%) as compared to those in 2004 (11%) responded that they had been dealing with their case for a period of seven months to a year. (Tables 11)
- **Moment of discovery:** In 2004, 37.5% of those surveyed reported that they found out within three months, down from 48% in 2003. Of those responding in 2004, 18% said that it took them four years or more to discover that their identities had been misused doubling the 9% from the 2003 sample. (Table 9)
- **Imposter characteristics:** Whereas 87 people were not certain about the offender's characteristics, 57% checked at least one of the options (Tables 8). Of these respondents, 47% responded that the imposter had committed other types of crimes. About 34% said that the offender had a history of needing money to support an addiction caused by narcotics or alcohol use, or a shopping or gambling problem. 28% of the sample responded that the person had done this to other family members as well.
- **Unexpected secondary effects:** Victims reported a number of problems including difficulties in obtaining credit, clearing accounts, obtaining or holding a job, and adverse effects on insurance or credit rates, etc. (Table 12)
- **Business losses:** Per victim estimation, losses increased in 2004 over 2003 by about \$7,500. (\$49,254 and \$41,717 respectively). Forty percent of both sample groups reported business costs that exceeded \$15,000 in their identity theft cases.
- **Imposter relationship to victim:** In 2004, of the 43% who believe they knew their imposter, 14% said that it was an employee of a business who had their information, as compared to about a quarter of respondents in 2003. (Table 7)
- **Child identity theft:** The most common reported perpetrator was a parent of the child.
- **Domestic abuse and identity theft:** 16% of ID theft victims from the sample were also victims of domestic harassment and/or abuse by the imposter. Slightly more than half of them felt that the identity theft perpetrated against them was used as a way to continue this abuse and/or harassment
- **Responsiveness to victims:** In terms of the response to victims by various entities, police departments seem to be more responsive. There was no significant change reported in interactions with financial institutions, businesses and utility companies between 2003 and 2004. The credit reporting agencies improved slightly in terms of making credit reports

easier to understand but still showed difficulties in terms of allowing victims access to any person to assist them from the CRA. (Tables 14, 15, 16, 17)

- **Inability to correct negative reports:** The vast majority of those who answered this question in both samples (70 and 66% in 2004 and 2003 respectively) responded that there was still negative information in their records (see Table 13).
- **Emotional impact:** Few significant positive changes have occurred in the feelings of victims and in terms of reported victim symptomology. As in 2003, this study discovered that that identity theft victims share far more response similarities with ALL victims of crime than previously realized. More than 40% of both samples reported stressed family life, perhaps due to their displaced anger and frustration. Finally, 9% and 16% in the 2004 and 2003 surveys respectively, responded that their relationship was “on the rocks” or ended as a result of their victimization. (Tables 20 and 21)

### **PRELIMINARY CONCLUSIONS OF THIS STUDY**

Decreases in time spent by victims is encouraging however longer periods of engagement with victims is discouraging and may indicate that identity thieves have become more sophisticated in keeping their crimes hidden from their victims and police. Additional studies will be needed to confirm this. Familial identity theft as well as child identity theft was reported more frequently in 2004. These reported criminal patterns appear to be valuable to law enforcement efforts designed to respond to such offenses. The section on identity thief characteristics appears to agree with anecdotal information, especially in the area of organized crime, the link between drugs and id theft and the connection to the business community and information collected there.

This study clearly indicates a need for research on various topics including family identity theft, long-term emotional impacts of this crime on victims, child id theft, domestic abuse and the criminal elements involved in identity theft.

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Policy makers and law enforcement are hereby permitted to use this survey for legislative and educational purposes.